

In the Claims

Claims 1-49 (canceled)

50. (previously presented) A method for structuring an interest-bearing instrument in a subject market, the instrument having a debtor, a creditor, a sensitivity to parameter changes, an extension risk, a credit risk, and an underlying obligation having a principal size, an interest rate, and a payment timing, comprising the steps of:

- (a) providing that the instrument's sensitivity to parameter changes allow, from any time zero, the debtor and the creditor to agree upon any possible combination or permutation of principal and interest to be paid, and any possible timing thereof;
- (b) providing that the instrument's extension risk and credit risk, from any time zero, be completely subject to the creditor's and debtor's control through a calculation of an agreement upon interest rates; and
- (c) providing that any options in the subject market, from any time zero, are allowed to be made explicit, priced, and used to correlatively adjust the principal size, interest rate, and payment timing of the underlying obligation.

Claim 51 (canceled)

52. (previously presented) The method of claim 50, further comprising the step of pricing and capturing the value of a financial entity's regulatory capital savings using the following equation:

$$RCS_t = \left(\sum_{i=1}^{i=T} (((L_{ua} - L_R)_i * RCW * RCP * R_{k_i} / F) * (1 + \bar{R}_{f_i} / F)^{-i} / L_{ua_i}) \right) * 10000$$

where:

RCS is Risk Capital Savings;

L_{ua} is Unamortized Loan Balance: Monthly;

L_R Loan: RAM variant (contains rate put option);

RCW is Risk Capital Weight;

RCP Risk Capital Percentage;

R_k is Contract Rate Discount Factor;

\bar{R}_f is Strike Rate Discount Factor; and

F is Periodicity.

Claims 53-104 (canceled)

105. (previously presented) A computer-based system for structuring an interest-bearing instrument in a subject market, the instrument having a debtor, a creditor, a sensitivity to parameter changes, an extension risk, a credit risk, and an underlying obligation having a principal size, an interest rate, and a payment timing, comprising:

- (a) means for providing that the instrument's sensitivity to parameter changes allow, from any time zero, the debtor and the creditor to agree upon any possible combination or permutation of principal and interest to be paid, and any possible timing thereof;
- (b) means for providing that the instrument's extension risk and credit risk, from any time zero, be completely subject to the creditor's and debtor's control through a calculation of an agreement upon interest rates; and
- (c) means for providing that any options in the subject market, from any time zero, are allowed to be made explicit, priced, and used to correlatively adjust the principal size, interest rate, and payment timing of the underlying obligation.

Claim 106 (canceled)

107. (currently amended) The ~~method~~ system of claim 105, further comprising ~~the step of~~ means for pricing and capturing the value of a financial entity's regulatory capital savings using the following equation:

$$RCS_t = \left(\sum_{i=1}^{i=T} (((L_{ua} - L_R)_i * RCW * RCP * R_{k_i} / F) * (1 + \bar{R}_{f_i} / F)^{-i} / L_{ua_i}) \right) * 10000$$

where:

RCS is Risk Capital Savings;

L_{ua} is Unamortized Loan Balance: Monthly;

L_R Loan: RAM variant (contains rate put option);

RCW is Risk Capital Weight;

RCP Risk Capital Percentage;

R_k is Contract Rate Discount Factor;

\bar{R}_{f_i} is Strike Rate Discount Factor; and

F is Periodicity.

108. (previously presented) A computer-based method for structuring an interest-bearing instrument in a subject market, the instrument having a debtor, a creditor, a sensitivity to parameter changes, an extension risk, a credit risk, and an underlying obligation having a principal size, an interest rate, and a payment timing, comprising the steps of:

- (a) providing that the instrument's sensitivity to parameter changes allow, from any time zero, the debtor and the creditor to agree upon any possible combination or permutation of principal and interest to be paid, and any possible timing thereof;
- (b) providing that the instrument's extension risk and credit risk, from any time zero, be completely subject to the creditor's and debtor's control through a calculation of an agreement upon interest rates; and
- (c) providing that any options in the subject market, from any time zero, are allowed to be made explicit, priced, and used to correlatively adjust the principal size, interest rate, and payment timing of the underlying obligation.

109. (previously presented) The computer-based method of claim 108, further comprising the step of pricing and capturing the value of a financial entity's regulatory capital savings using the following equation:

$$RCS_i = \left(\sum_{i=1}^{i=T} (((L_{ua} - L_R)_i * RCW * RCP * R_{k_i} / F) * (1 + \bar{R}_{f_i} / F)^{-i} / L_{ua_i}) \right) * 10000$$

where:

RCS is Risk Capital Savings;

L_{ua} is Unamortized Loan Balance: Monthly;

L_R Loan: RAM variant (contains rate put option);

RCW is Risk Capital Weight;

RCP Risk Capital Percentage;

R_k is Contract Rate Discount Factor;

\bar{R}_{f_i} is Strike Rate Discount Factor; and

F is Periodicity.